

Түйін

Осы жұмыстың мақсаты Қазақстан Республикасының зейнетақы жинақтаушы қорының дамытулуын, зейнетақы қорларының зертеген анақтамасы ретінде қорларды анықтау зейнетақы туралы жалпы проблемаларды білу үшін, және сол проблемаларды шешуші жолдарды ұсыну, план жасау, оның басты мақсаты келешекте системаның дамуы.

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THE PROBLEMS AND PERSPECTIVES OF IFRS IMPLEMENTATION IN KAZAKHSTAN

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Abstract

With the development of the economy in order to increase the competitiveness Kazakhstan decided to implement International Financial Reporting Standards (IFRS). Recognized worldwide as an effective tool to provide reliable and high quality information, IFRS became the basis for the Kazakhstani accounting. These international standards will allow Kazakhstan's economy to move to a qualitatively new level of development where the core values are a good investment climate, the transparency of financial reporting, credibility of the financial position and results of operations. This report has been written about what international financial reporting standards are, about Committee and Board of IFRS and current situation of the implementation of IFRS in Kazakhstan. In the report the problems encountered during the implementation of international standards are spelled out and solutions to these issues are proposed.

Keywords: IFRS, Kazakhstan, accounting.

International Financial Reporting Standards (IFRS) are a set of standards and interpretations, leading the rules of the preparation of financial statements that needed for external users to make economic decisions with regard to the company. IFRS, in comparison with some of the national rules on the financial statements are standards based rather on principles than on hard-coded rules. The main objective is that in any practical situation the drafters could follow the spirit of the principles, rather than trying to find gaps in the clearly defined rules that would bypass any basic frameworks.

From 1973 till 2001 standards were being developed by Board of the International Accounting Standards Committee (IASC) and issued under the name International Accounting Standards (IAS). In 2001, the IASC was reorganized in the International Accounting Standards Board (IASB). In April 2001 the IASB adopted existing IAS and continued to work, releasing the newly established standard called IFRS.

Cause of worldwide recognition as an effective tool to provide reliable and high quality information International Financial Reporting Standards have become the basis for the national accounting system. Adoption of IFRS is written in the Law of the Republic of Kazakhstan “On accounting and financial reporting”.

As part of implementation process of IFRS, formation of accounting system in Kazakhstan began in 1994, when the National Bank worked with the International Monetary Fund on developing new accounts for banks, which was adopted and approved in December 1995. For two decades, IFRS have been implementing in three key areas - financial institutions, joint-stock companies that are non-financial institutions, and other organizations. Reformation of accounting system has been started from following consecutive steps and included:

1. Learning reform experience realized by other countries and developing transfer option of the financial system to international standards on the basis of the best practice;
2. The study of methods and principles of accounting in accordance with IFRS, carrying out work on the creation of a methodological and regulatory base of accounting, beginning of the practical implementation of new accounting policies that comply with IFRS;

3. Improvement of existing regulatory and methodological framework in line with international standards, training accountants to accounting and financial reporting in accordance with the requirements of IFRS.

Another key point was the transition in 1995-1996 of accounting of the financial sector on accrual basis in the recognition of income and expenses. This method is one of the main principles of IFRS. The advantage of the accrual method over the previously used the cash method is the ability to determine the current financial condition of the subject by means of an objective analysis of actual anticipated income or retirement funds.

Later, in 2001, the Ministry of Finance of the Republic of Kazakhstan has established Methodological Council for Accounting and Auditing in cooperation with the National Bank. By creating the Council pursued the goal of transfer to IFRS accounting system on the scale of the entire state. It should be noted that the initial task was to develop on the basis of IFRS own Kazakhstani accounting standards, however, on the basis of expediency, the Council adopted a decision on legislative consolidation of the financial statements according to international standards adopted by the Committee of the IASB. As a result, in the first half of 2002, the largest and most basic step in the work on the transition to IFRS has been the introduction of the Ministry of Finance, with the active participation of the National Bank, changes and additions to the Law of the Republic of Kazakhstan "On Accounting", according to which it was clearly established that from 1 January 2003 financial organizations, from January 1, 2005 joint-stock companies of non-financial sector, from 1 January 2006 all other organizations are preparing financial statements only in accordance with IFRS, officially translated into the national language. For organizations, which had not managed to adopt the IFRS transition, period has been extended to January 1, 2008. (Figure 1)/1/

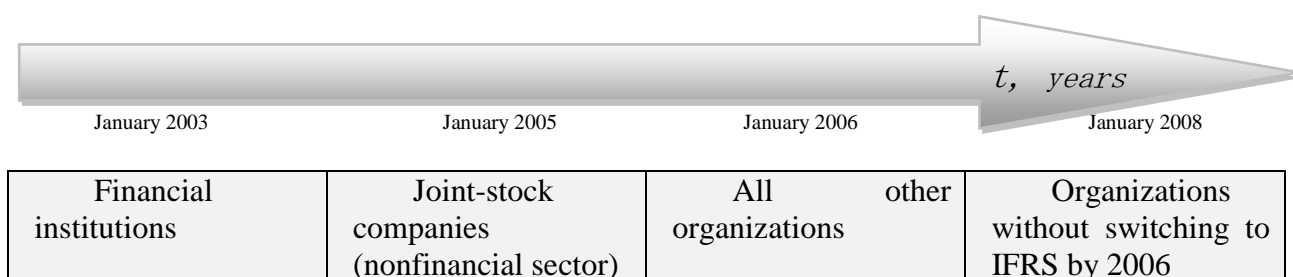


Figure 1. Switching to IFRS by different organizations

In this connection, January 1, 2003 marked a milestone in the development of the financial sector of Kazakhstan. Thanks to the work done, today reporting documentation prepared by financial institutions of the country is consistent with the requirements of IFRS, as evidenced by the findings of the leading audit companies in the world.

In addition, it should be noted that at the present stage of development of accounting in Kazakhstan and the undeniable progressive achievement is the development of the Ministry of Finance and the National Bank of the Draft Law "On Accounting" in the new edition, which contemplates the realization of a number of new conceptual ideas aimed at further possible effective and progressive development of IFRSs in our republic.

Despite some progress in the development of the accounting and financial reporting in Kazakhstan there are some problems, among which are:

- Institutional;
- Organizational;

- Financial;
- Personnel;
- Methodological;
- Technical.

Solving these problems will realize the full benefits of the adoption of IFRS.

Institutional problems

Institutional problems of IFRS implementation is the absence or insufficient development of the institutional environment, “Institute of Chartered Accountants” well-established tradition, a strong professional community, the presence of which requires the effective application of IFRS. Previously, accounting and reporting in Kazakhstan has been focused on the interests of the state. This attitude can be traced in the approach to the reflection of individual business transactions, account information in general, the organization of internal and external quality control reporting. In most cases, there is no experience with the use of accounting information in making economic decisions. In this regard, there is a lack of a wide range of users of financial statements, which are focused on IFRS. Also, it is important that there is relatively low level of stock market development in Kazakhstan. At the same time, the strict requirements imposed on the accounting information from government bodies, especially the tax authorities, do not match the requirements of IFRS. The participation of professional public organizations of accountants and auditors, as well as other interested public, including users of financial statements in the regulation of accounting and financial reporting, the development of the accounting profession is also not enough.

Organizational problems

Organizational problems of IFRS are that the IASB issues standards in English, and the Committee Foundation owns the copyright to the IFRS. For the implementation of IFRS in the legal field of the state is necessary not only to translate the standards into the national language, but also to ensure unimpeded access by any interested party to these texts. To date, Kazakhstan signed a contract with the Foundation of IASB to publish an official translation of IFRS into the state and Russian languages. Text translation into the official language published in the official publication in the journal "Bulletin of normative legal acts". Responsible for the preparation of this translation was the Ministry of Finance of the Republic of Kazakhstan. As a significant positive step in this direction should be noted occupancy by the IASB Foundation on its website translation of IFRS in the Russian language in 2010.

Financial problems

The financial problems of IFRS concluded in the necessity of costly spending by business entities to restructure their accounting systems, training management, hiring expensive specialists, development or acquisition of new software, change management processes, etc. Costs of businesses increase when preparing financial statements under IFRS is carried out by transformation of financial statements prepared according to national rules. Meanwhile, the transformation is usually the main way of reporting under IFRS by economic entities. Another problem is the need to invest large funds in the accounting reform of the state.

Personnel problems

Personnel problems in the application of IFRS concluded in insufficient training most of accountants and auditors, as well as a lack of skills in the use of information prepared under IFRS. Businesses that are financially afford to training staff or hiring qualified specialists in IFRS field, are usually limited to a very narrow circle of people. Department of IFRS even in large companies often consists of 3-4 people and sometimes from one person. They are exclusively engaged in financial reporting in accordance with IFRS-based accounting data, which is maintained by different rules professionals who do not have the necessary in-depth understanding of the IFRS. The isolation of the processes of accounting and financial reporting adversely affects the quality of the latter.

Methodological problems

Methodological problems concluded in the difficulty of implementing the requirements of IFRS. While IFRS can claim the title of best accounting standards, it is unlikely that they can claim the title of "ideal" standards. Their demands remain fairly large number of flaws, gaps and even contradictions. In addition, there is a constant improvement of standards and our professional accountancy bodies should monitor this process to be ready for the introduction of new or amended standards. Furthermore, the level

of their specific requirements in IFRSs is mainly focused on big business, while now the problem of implementation of IFRS has moved to the level of medium and even small businesses. Currently in Kazakhstan for small and medium-sized businesses have adopted national standards developed in accordance with full IFRS, the use of which, as shown above, is associated with certain financial and time costs. At the same time, Kazakhstan's small and medium-sized businesses right to address their governing bodies which have adopted the accounting policies, to prepare financial statements in accordance with international standards, for example full IFRS or IFRS for SMEs./2, p. 34/

The active cooperation of Kazakhstan with international organizations in the field of accounting and reporting greatly contributes to solving methodological problems.

Technical problems

The technical problems include problems associated with the software. Now the majority of small and medium-sized businesses use the program "1C: Accounting" version 8", which does not quite fit under IFRS. For example, often questions arise on deferred tax assets or liabilities. When company has a tax loss, the program automatically generates a deferred tax asset. However, it should be borne in mind that, in accordance with paragraph 34 and 35 of IAS 12, "Income Taxes", deferred tax asset should be recognized for the carry-forward of unused tax losses to the extent that it is probable that the company will have future taxable profits will be available against which these unused tax losses can be utilized. The presence of unused tax losses is strong evidence that future taxable profit may not be. Thus, when an entity recognizes a deferred tax asset if there is convincing evidence that it will generate sufficient taxable profits against which the unused tax will realize a loss. Based on this, in this situation you can take the software calculation of deferred corporate income tax, but its recognition should be based on knowledge of IAS 12 "Income Taxes" and the professional judgment of the accountant. Now the big companies are trying to introduce the software SAP, which allows you to keep financial records on the international and national standards at the same time. Different accounting systems are assigned to specific charts of accounts and methods of evaluation and costing. Thus, the same transactions or events recognized differently in different accounting systems. /3, p. 26/

So, Kazakhstan has observed a number of outstanding issues that relate to the low level of training most of accountants and auditors, in the difficulties of applying the IFRS for small and medium-sized businesses, because of their complexity and methodological complexity. Also, lack of participation of professional associations in the regulation of accounting and financial reporting, as well as in the development of the accounting and auditing profession and in the formal approach of regulators and business entities to many categories, principles and requirements of the accounting and financial reporting provisions established by IFRS.

Solving these problems requires a great deal of complex work in all directions at once. To making progress in the transition to IFRS and finding solutions to the institutional problems it is necessary commitment to the transition at the highest political and state levels. A key factor in the success of the reform is the support from key government officials. At the same time, a successful transition to IFRS is not possible without a corresponding demand on the part of compilers, investors and analysts. Public bodies need constant active cooperation and support of compilers, professional organizations, investors and other users of financial statements.

Kazakhstan has an official translation of the standards in the national language, but it is not easily accessible. On the website of the Ministry of Finance the text of the IFRS is accessible only in Russian language. For solution of this problem, government should make publicly available texts in the state language; keep the information in the standards themselves with the current changes.

As for the problems of a financial nature, in any case, the financial costs of the introduction of IFRS cannot be avoided; however, you can cut them. The state conducts continuous training of workers, organizing seminars, workshops and conferences at different levels, from regional to international. Organizations can use these activities to improve knowledge and skills of their employees. Thus, it will go to work to solve problems related to finance and human resources. At the same time representatives of professional organizations will cover the issues of innovation, improvement in IFRS and Kazakhstani legislation. To address the issues associated with the software, I suggest switching on the software SAP,

which has a number of advantages. Changing the software already available to the organization, it may be more expensive and less reliable, leading to failures in the systems.

The prospect of the adoption of IFRS is to discover new business opportunities. Improving the quality of financial statements, which are taken on the basis of some management solutions, will lead to increased profitability and attract new investors. But, it should be noted that one should not expect foreign investment if the river will flood in Kazakhstan. However, this will be an important step in the process of building mutual trust between Kazakhstan and the international community. The increase corporate transparency will mean that investment will be less risky for investors and therefore cheaper. Obviously, any national financial market cannot develop normally in isolation from the international market. IFRS as a common language in the provision of financial statements enables local companies to enter the international market. Already, role of the accountant is changed in organizations. Accountant, formerly one of the most obscure figures becomes an indispensable adviser of leaders of the organization.

Such wise, the transition to IFRS is inevitable for every business and it should be considered and, of course, would be positive for the enterprise and their financial results.

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Резюме

С развитием экономики для поддержания конкурентоспособности Казахстан принял решение о внедрении Международных стандартов финансовой отчетности (МСФО). Зарекомендованные во всем мире как эффективный инструмент для предоставления надежной и качественной информации МСФО стали основой для казахстанского учета. Эти международные стандарты позволят казахстанской экономике перейти на качественно новый уровень развития, где основными ценностями являются хороший инвестиционный климат, прозрачность финансовой отчетности, надежность финансового положения и результатов деятельности. В этом докладе говорится о международных стандартах финансовой отчетности, Комитете МСФО и настоящей ситуации по внедрению МСФО в Казахстане. В докладе написано о проблемах, возникших при внедрении МСФО, и предложены рекомендации по их решению.

Түйін

Қазақстан бәсекеге қабілетті ел болу үшін экономиканың дамуына байланысты МСЕҚ-ті енгізуді шешті. Бүкіл әлемде сенімді және сапалы ақпарат беруде тиімді құрал ретінде ұсынылған МСЕҚ қазақстандық есептеу үшін негіз болды. Бұл халықаралық стандарттар негізгі құндылықтары жақсы инвестициялық ахуал, қаржылық есептің айқындығы, қаржы жағдайының сенімділігі мен қызмет нәтижесі болып табылатын Қазақстан экономикасына жаңа сапалы даму деңгейіне көтерілуіне септігін тигізеді. Бұл баяндамада халықаралық қаржылық есептілік стандарттары, МСЕҚ Комитеті және Қазақстанға МСЕҚ-ті енгізу жағдайы туралы айтылады. Баяндамада МСЕҚ-ті енгізу барысында туындаған мәселелер мен сол мәселерді шешу жолдары ұсынылған.

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SUSTAINABLE ECONOMIC DEVELOPMENT OF OIL AND GAS IN REPUBLIC OF KAZAKHSTAN

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